Funds for development of industries in Rajasthan

901. DR. GYAN PRAKASH PILANIA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the funds allocated by Government for development of industries in Rajasthan during the Tenth Plan;

(b) the amount released and utilized by Rajasthan so far;

(c) the targets fixed and achievements made, so far in respect of growth;

(d) whether any proposals from the State Government, still pending with the Centre in above context; and

(e) if so, their details and disposal?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) to (c) Central Assistance of Rs. 16.50 crores released under the Growth Centre Scheme for 4 Growth Centres in Rajasthan during the 10th Plan period has been fully utilized. Under the Industrial Infrastructure Upgradation Scheme, the Government has sanctioned Central Grant of Rs. 27.60 crores and released Rs. 9.20 crores for the Marble Cluster at Kishangarh. Utilisation certificate of this amount has not yet been received. Completion of the sanctioned projects is dependent upon release of matching share by the Government of Rajasthan and other stake holders.

(d) and (e) Presently, no proposal from the Government of Rajasthan is pending under the Industrial Infrastructure Upgradation Scheme or the Growth Centre Scheme.

Inter-Regional Trade under SAFTA

902. SHRI K. RAMA MOHANA RAO: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) how SAFTA will lead to a rise in inter-regional trade;

(b) whether it is a fact that Pakistan has still not adopted the SAFTA;

(c) with the beginning of SAFTA, how India's trade would grow from the present Rs. 25000 crores with SAARC; and

(d) what could be the main areas of cooperation between the SAARC countries after the emergence of SAFTA?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) In terms of phased tariff liberalization programme under Rule 7 of the Agreement on South Asian Free Trade Area (SAFTA), in two years, Non-Least Developed Contracting States (NLDCs) will bring down tariffs to 20%, while Least Developed Contracting States (LDCs) wil bring them down to 30%. Non-LDCs will then bring down tariffs from 20% to 0-5% in 5 years (Sri Lanka 6 years), while LDCs will do so in 8 years. This tariff liberalization programme would not be applicable to the items kept in the Sensitive List by each Member State. All the Member States of SAFTA are scheduled to effect tariff liberalization with effect from 1st July, 2006, except Nepal which would effect it from 1st August 2006, subject to the condition that the tariff liberalization programme for the first two years would be completed by 31st December, 2007. After SAFTA becomes operational from 1st July 2006 the intra-regional SAARC trade is expected to grow significantly, but the same cannot be quantified at this stage.

(b) The SAARC Secretariat has intimated that the Government of Pakistan has ratified the SAFTA.

(c) After the tariff liberalization programme of SAFTA comes into force from 1st July, 2006, India's trade with SAARC countries is expected to grow substantially, but at this stage it cannot be quantified.

(d) Article 3 of the SAFTA Agreement sets out objectives and principles which, *inter alia,* provides for eliminating barriers to trade, cross- border movement of goods between the Contracting States, creating effective mechanism for implementation of the Agreement and establishing a frame work for further regional cooperation to expand and enhance the mutual benefits of this Agreement. Article 10 of the Agreement prescribes the institutional Arrangements for the administration and implementation of the Agreement.

Amendment in provisions of EPC6 Scheme

903. DR. M.A.M. RAMASWAMY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have amended to provisions of the Export Promotion Capital Goods (EPCG) Scheme;